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INTELLIGENCE INFORMATION CASE

DATE 22 MAR 1973
IN 867596
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EXEMPTED BY 67422

COUNTRY LIBYA/ARGENTINA/BRAZIL
DOI ABOUT NOVEMBER 1973
SUBJECT REPORTED PROPOSAL OF THE LIBYAN GOVERNMENT TO
ESTABLISH AN EXPORT ARMS INDUSTRY IN ARGENTINA
ACQ BRAZIL, [] FIELD NO. []
(14 MARCH 1973)
SOURCE AN OFFICIAL OF []
WHO PROVIDED THE INFORMATION WITHOUT THE
KNOWLEDGE OR AUTHORIZATION OF []
HE HAS BEEN A GENERALLY RELIABLE REPORTER.
THIS INFORMATION SHOULD NOT BE DISCUSSED WITH
ANY FOREIGN OFFICIALS, []

SUMMARY: A [] OBTAINED
INFORMATION IN NOVEMBER 1972 THAT THE LIBYAN GOVERNMENT

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CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3828
NAZI WAR CRIMES DISCLOSURE ACT
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(classification)

(dissem controls)

PROPOSED TO ESTABLISH AN EXPORT ARMS INDUSTRY IN ARGENTINA. THE PROPOSAL, WHICH WAS TO BE MADE TO FORMER ARGENTINE PRESIDENT JUAN DOMINGO PERON, CALLED FOR THE TRANSFER OF COMPLETE FACTORIES TO ARGENTINA, FAR FROM POSSIBLE ISRAELI RETALIATION, OF THE EXPORT OF THE WEAPONS TO LIBYA. THERE ARE QUESTIONS ABOUT THE VERACITY AND OBJECTIVITY OF THE ORIGINAL SOURCE OF THE INFORMATION. END SUMMARY.

1. ON 22 NOVEMBER 1972, I

I OBTAINED THE FOLLOWING INFORMATION FROM A RETIRED ~~C~~ MILITARY OFFICER WHO OBTAINED IT FROM (COUNT) TOMAS ALBERT KALMAN DENES DE P E C H Y. THE ^{HAS BEEN THE IN} ~~INTERNATIONAL ARMS~~ ^{GROUPS} INFORMATION WAS UNDATED, AND IT WAS NOT INDICATED WHETHER DE PECHY KNEW THE INFORMATION WAS BEING MADE AVAILABLE TO ~~C~~ I.

2. ACCORDING TO THE INFORMATION, (COLONEL) MU'AMMAR Q A D H A F I, ^{FR} ~~Q A D H A F I~~ ¹ ~~CHAIRMAN~~ ^{COO} OF THE LIBYAN REVOLUTIONARY COUNCIL, SENT EMISSARIES TO MADRID TO DISCUSS WITH FORMER ARGENTINE PRESIDENT JUAN DOMINGO P E R O N THE ESTABLISHMENT OF AN INDUSTRY FOR THE PRODUCTION OF WAR

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THE T-25 TANK, WHICH WEIGHS 30 TONS, IS EQUIPPED WITH 105 MM CANNONS, AND HAS A MECHANICAL STABILIZER FOR FIRING WHILE MOVING.

D. VARIOUS TYPES OF MISSILES WOULD BE OFFERED, ALONG WITH OTHER WEAPONS.

3. (SOURCE COMMENT: THE INFORMATION MADE AVAILABLE TO  DID NOT DESCRIBE THE FATE OF THE MISSION, THE REACTION OF PERON, OR THE CURRENT STATUS OF THE PROPOSAL.) (FIELD COMMENT: THE INFORMATION DOES NOT SPECIFY THAT THE EMISSARIES MET WITH PERON OR ANY OF HIS REPRESENTATIVES.)

4. ATTACHED TO THE INFORMATION WAS A BIOGRAPHIC REPORT AND ASSESSMENT OF DE PECHY, DATED SEPTEMBER 1972. THE REPORT SHOWED THAT HE WAS NATURALIZED BRAZILIAN OF HUNGARIAN ORIGIN WHO CLAIMED TO BE DIRECTOR-PRESIDENT OF THE MONTANA INVESTMENT INCORPORATION (SIC), 233 BROADWAY, NEW YORK CITY. HIS US REPRESENTATIVE WAS IDENTIFIED AS TEOBALD D E N G L E R, DIRECTO-SECRETARY OF THE SAME FIRM. AN INVESTIGATION BY BRAZILIAN AUTHORITIES

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DEFENSE ATTACHE IN BRAZIL WAS INFORMED BY THE FORMER CHIEF OF STAFF OF THE BRAZILIAN ARMY, WHO IS NOW A PROMINENT BUSINESSMAN, THAT DISCUSSIONS WERE UNDERWAY TO ESTABLISH AN INTERNATIONAL ARMS MANUFACTURING COMPANY IN BRAZIL; THE DEFENSE ATTACHE WAS INFORMED THAT THE ORGANIZERS OF THE PROJECT, WHICH IS OPERATING WITH THE APPROVAL OF THE BRAZILIAN GOVERNMENT, HAD DISMISSED DE PECHY FROM ASSOCIATION WITH THE PROJECT; SEE IR 6 809 0062 73. THE POSSIBLE UNSAVORY OR INCOMPETENT ELEMENTS IN DE PECHY'S BACKGROUND, WHICH ARE HINTED AT IN THE BIOGRAPHIC REPORT DESCRIBED ABOVE, COUPLED WITH HIS REMOVAL FROM THE POTENTIAL BRAZILAIN ARMS INDUSTRY, COULD HAVE INSPIRED HIM TO FABRICATE OR AT LEAST ELABORATE ON THE INFORMATION PROVIDED TO THE SERVICE TO PLAY ON BRAZILIAN COMPETITIVENESS AND FEARS ABOUT ARGENTINA AND TO INSURE HIS OWN ROLE IN THE NEW BRAZILIAN ARMY INDUSTRY.)

6. FIELD DISSEM: CONSULATE GENERAL AT RIO DE JANEIRO:

REPORT CLASS SECRET/WARNING NOTICE - SENSITIVE

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